GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:3987
ANSWERED ON:19.04.2000
SALE OF SALEM STEEL PLANT
SUNIL KHAN;T.M. SELVAGANAPATHI

Will the Minister of STEEL be pleased to state:

(a) whether the Government propose to sale the Salem Steel Plant;

(b) if so, the reasons therefor;

(c) whether a merchant bankers has been appointed for the above purpose; and

(d) if so, the details thereof ?

Answer

MINISTER OF STATE FOR STEEL

(SHRI DILIP RAY)

(a) & (b): The financial and business restructuring package for Steel Authority of India Ltd. (SAIL) that has been approved by the Government includes, inter alia, formation of Joint Venture for Salem Steel Plant (SSP), while protecting the jobs of existing employees.

SAIL has been exploring the possibility of a Joint Venture for SSP through which steel making and slab casting facilities can also be made available to it because SSP has been incurring losses continuously. Addition of these facilities would need substantial investments. However, due to financial constraints, SAIL is unable to fund the large investment requirements of SSP.

(c) & (d): M/s. JM Morgan Stanley Ltd. (JMMS) have been appointed as Financial Advisor for restructuring of Salem Steel Plant.